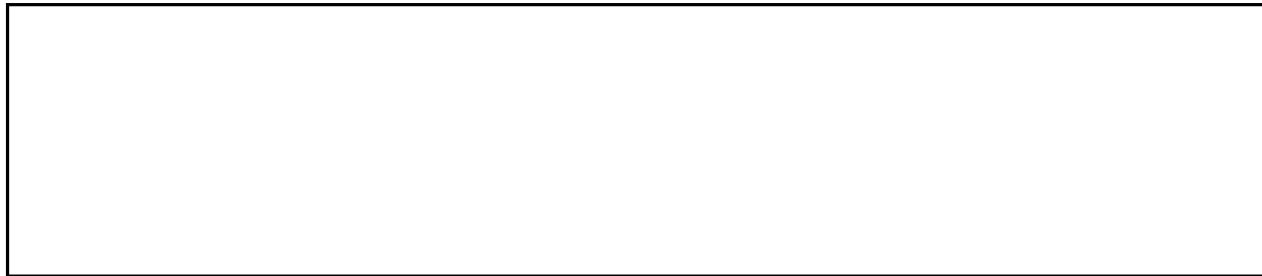


1 May 1969

MEMORANDUM FOR THE RECORD

Morning Meeting of 1 May 1969



25X

*DD/I initiated a lengthy discussion on the merits of responding to Congressman Lipscomb's request for an unclassified paper on Soviet/ChiCom military capabilities. The Director asked that no decision be reached on this request until after he has had further discussions on the matter.

DD/I noted that his session yesterday with the Drew University seminar had gone well and consisted of fourteen female and three male students, all of whom asked good questions and had obviously done their homework.



25

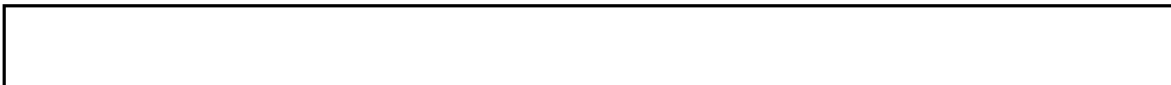
Godfrey noted that, according to the Washington Post and the New York Times, Le Duc Tho is headed for Moscow on the return leg to Paris.

Godfrey reported that the Soviet helicopter carrier Moskva has departed the Mediterranean for the Black Sea.

D/ONE noted that the Board has prepared a memorandum to the Director on the Middle East.

TOP SECRET SENSITIVE

D/ONE alerted the Director to the possibility that the Secret Service may request a coordinated Estimate on the security situation in Latin America as it pertains to Governor Rockefeller's projected visit. He asked the Director not to agree to take on the Estimate until after further consultation with him, and Godfrey advised that they have prepared a security paper which might take the place of an Estimate.



25X

Carver noted that his briefing of Secretary Rogers yesterday had gone well.

Carver noted that, due to confirmation scheduling difficulties, Marshall Green will not be officially in his position as Assistant Secretary of State for East Asian and Pacific Affairs until sometime after the first of next week.

Maury called attention to an item inserted in the 30 April Congressional Record by Congressman Rarick containing a reprint of an article in the Government Employees Exchange. The article alleges the formation in 1963 of a "new team" in CIA. Goodwin briefed on our information pertaining to the ownership and policies of the Exchange.

Bross reported that General Carroll and Tom Hughes will be here today for a briefing on NIRB.

Bross noted that Robert Froehlke, recently named Special Assistant for Intelligence to the Secretary and Deputy Secretary of Defense, will visit the Agency this afternoon and be briefed. Bross noted that he will focus in on Froehlke's requirement to develop within forty-five days a study of the intelligence efforts within the DOD and pointed to the value of having a qualified Agency officer physically located in the Pentagon and available for input to the study. The Director concurred that this would be a good idea.

The Director called attention to the item in today's Washington Post on the CIA orphans.

*The Director expressed his serious concern over the number of tours being conducted through NPIC and asked that they be severely curtailed.

TOP SECRET SENSITIVE

The Director noted that he will be seeing Senator Symington today on problems related to publicizing data pertaining to our budget.

The Director noted that he saw Senator Fulbright on 29 April.



L. K. White

25X

*Extracted and sent to action officer

ion on Basis of Its 5 Points

"demand" was complete withdrawal

Le Duc Tho Returning

© 1969 The Globe and Mail, Toronto

PEKING, April 30—Le Duc Tho, the political leader of North Vietnam's delegation at the Paris peace talks, left Peking today for Moscow and Paris. In the past, Mr. Tho's movements have sometimes coincided with turning points in the negotiations.

He had returned to Hanoi for consultations on Feb. 11. He was seen off here by Han Nien-lung, Chinese Deputy Foreign Minister, and presumably talked with officials here.

Chinese officials have men-

tioned Vietnam twice publicly in the last few days.

Hsieh Fu-chih, Deputy Premier and chairman of the Peking Revolutionary Committee, said Saturday that in Vietnam and the Middle East the United States and the Soviet Union worked in coordination to "stamp out the flames of revolution."

Lin Piao, deputy chairman of the Communist party, in a political report to the ninth party congress that was made public Sunday, said that the armed struggles of the people of South Vietnam and other countries were "vigorously surging forward."

April 30, 1969

CONGRESSIONAL RECORD — Extensions of Remarks

E 3527

gence, that they must no longer cooperate in this selective sovereignty that the Arab states exercise in their dealings with Israel.

Sovereignty gives nations the right to exercise power, if they wish, and to suffer the consequences if that power proves insufficient to their adventures. The Arabs will have to learn to live with the consequences of their adventures. American youngsters whose hearts bleed for the battered Arab psyche will learn, when they have reached maturity themselves, that mature men usually blame themselves for their reversals, just as Japan and Germany did—with not such bad results.

Certainly we here should know that the victory two years ago is today Israel's most prized possession. It is the key to peace. Let us hope that our government has not ceased to recognize that Israel's victory is the key to peace.

Surely our government perceives the folly and futility of any course which could transform into a diplomatic disaster a military triumph in the Near East—not only for Israel but for the United States and for all the free world—a triumph which, if wisely used as the key to peace, will put an end to the Soviet dream of domination of the Near East.

Israel at 21 would not deserve her majority if she were so immature as to forsake her victory. It is a prize that she spent all her youth in winning. She must hang on to it until her enemies grow up.

OTTO OTEPKA: VICTIM OF THE NEW TEAM

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 30, 1969

Mr. RARICK. Mr. Speaker, a long-suppressed report on the misuse of the CIA to establish an underground government within our Government has been exposed today in the Government Employees Exchange.

Reportedly the plan of the "new team" in controlling the CIA operation was to "reform" the U.S. domestic and foreign relations through the use of an "elite" who looked to the "spirit of the future" instead of the status quo.

Apparently anyone not on the "new team" who uncovered its sinister plans or interfered—knowingly or unknowingly—was considered a threat and a target for compromise or elimination.

The casualty list from the intermeddlers of the "new team" includes President Diem and his brother of South Vietnam, President Johnson, and Otto F. Otepka.

So that our colleagues may have the opportunity to study this unprecedented exposure in power and to ponder the question, "Who is running our country?" I include the Government Employees Exchange article of April 30 and two articles from the April 16 issue:

[From the Government Employees Exchange, Washington, D.C., Apr. 30, 1969]

CIA'S VIETNAM HIT L. B. J., OTEPKA

A highly secret and unknown American involvement in Yemen was the prelude to major actions by the Central Intelligence Agency's "New Team" in its November, 1963, offensive against President Ngo Dinh Diem of South Vietnam, against Vice President Lyndon B. Johnson, and against Otto F. Otepka, the State Department's former Security Evaluator, a former Ambassador

with close ties to CIA Director, Richard Helms, revealed to this newspaper on April 25.

As readers know, the CIA "New Team" was set up by former Attorney General Robert F. Kennedy following the Bay of Pigs "fiasco" by the CIA "Old Team." Mr. Kennedy recruited into the "New Team" many officials not only from the CIA (such as Richard Helms) and the Federal Bureau of Investigation (such as Cartha "Deke" DeLoach) but also from the Internal Revenue Service and the National Security Agency. These agencies and their top members were "knowledgeable" in the exploitation of "wire taps" and secret informers, the former Ambassador said.

Allied with the "paragovernment" (see April 16 issue) of the "New Team" were secret "cooperating and liaison" groups in the large foundations, banks and newspapers, the source added. In that issue, readers will recall, this newspaper reported that the "coordinating role" at *The New York Times* was in the custody of Harding Bancroft, its Executive Vice President.

NEW TEAM READY

By August, 1963, the "New Team" was "ready" for action on a wide variety of fronts. These included international affairs, especially the Vietnam War; domestic affairs, especially preparation for the 1964 Presidential election; and the "final infiltration" by "New Team enthusiasts" of the State Department, Agency for International Development, the United States Information Agency and the Pentagon, the source said.

The basic purpose of the "New Team" was to "reform" United States domestic and foreign relations through the use of an "elite of committed, humanistic pragmatists" who looked at the "spirit of the future" instead of the status quo and the "dead letter of formal and literal law," the source continued.

"NEW TEAM" TARGETS

In the international field the main target for "reform" action was Ngo Dinh Nhu, the brother of President Diem, of South Vietnam. He had the source said, the same relationship to President Diem that Robert Kennedy had to President Kennedy.

President Diem had insisted in his dealings with the "New Team" that the war in Vietnam had to be "run by the Vietnamese." Even though he used CIA resources, he would not allow the CIA to become a "paragovernment" in Vietnam. The Diem and Nhu alliance in Vietnam thus stood in the way of "americanizing" the war there and using the war's opportunity to transform South Vietnam along the lines of the "New Team" program, the source said.

ROBERT WILLIAM KOMER

While relations between President Diem and the "New Team" were disintegrating, a final thrust for "americanizing" the Vietnam War was supplied by Robert William Komer, a career CIA intelligence officer who, from 1947 through 1960, had won the confidence of such top CIA officials as William Langer, Sherman Kent, Robert Amory and William Bundy.

In February, 1961, Mr. Komer was "transformed" from an "intelligence" into an "Operations Officer" when he joined the National Security Council Staff at the request of McGeorge Bundy, the brother of William Bundy.

Following the "Bay of Pigs," the United States engaged in a series of "guerrilla wars" throughout the world, including Vietnam, Laos, Thailand. Most of them has secret CIA operations, especially of the "counter-insurgency" type.

"MR. KOMER'S WAR"

The most secret, however, of these CIA wars was "Mr. Komer's war" in Yemen which was a testing ground for the CIA in the use of "wire taps" and "the former Ambassador revealed.

Mr. Komer resorted to a major transformation of power especially at the Agency for International Development in applying "paradiplomatic" techniques, the source said. Because the United States and AID could not intervene directly in Yemen, Mr. Komer set up "dummy companies" in Europe, the Middle East and in India which "bought" AID goods, "repaired" them, and sold them either back to AID or to other governments. The transactions provided not only "revenues", but most of all "cover" for CIA agents, many of whom were foreign nationals.

To conceal these operations and "protect" them from bona fide AID or other U.S. inspectors, the CIA "New Team" infiltrated the AID security offices, as well as its personnel, operations and inspections divisions, the former Ambassador revealed.

Mr. Komer's other great innovation was to develop and deepen the covert collaboration between the CIA "New Team" and Harding Bancroft, the Executive Vice President of *The New York Times*, the source revealed.

THE NOVEMBER "STRIKES"

The CIA war in counter-insurgency in Yemen had convinced the "New Team" that to carry-out its program before the 1964 Presidential election, it must gain control of the actions of the South Vietnamese government in 1963. Thus, the New Team, largely on the basis of Mr. Komer's views on the reasons for both successes and failures in the Yemen, decided to move against President Diem in Vietnam. The New Team also moved against Vice-President Johnson and Otto F. Otepka.

On November 1, 1963, the New Team destroyed President Diem and his brother who were "assassinated"; on November 5, 1963 the "New Team" moved against Otto F. Otepka who was informed that day that he was dismissed as a security officer; and on November 22, 1963, largely on the urging of Robert F. Kennedy, Don B. Reynolds was appearing before a Senate Committee to supply evidence which was expected to cast a "deep shadow" on Vice-President Lyndon B. Johnson, because of his relationships to Robert "Bobby" Baker, and through Baker, to James H. Hoffa, the Teamster President whom Robert Kennedy was prosecuting.

While Don Reynolds was still in the first phase of his testimony, news was flashed to the Senate Committee that President John Kennedy had been assassinated and Vice-President Johnson was now President. Mr. Reynolds never finished his testimony.

Although one of the "targets" of the New Team, Lyndon B. Johnson thus escaped immediate destruction, his Presidency was eventually "captured" by such New Team members as Walt Whitman Rostow, William Bundy and Robert William Komer, the source added.

Thus, the "momentum of the November 1963 strike" of the New Team carried on through the Presidency of Lyndon Johnson, including the "Americanization of the Vietnam War" and the "dismissal" of Otto F. Otepka, the source concluded.

[From the Government Employees Exchange, Apr. 16, 1969]

OTEPKA WAS MAJOR ROADBLOCK IN TAKEOVER BY A "NEW TEAM": NEW YORK TIMES LINKED TO CIA PLOT ON OFFL.

The Central Intelligence Agency's "New Team," including such "outsiders" as Harding A. Bancroft, now the Executive Vice President of *The New York Times*, played a critical role in the final decision of Attorney General Robert F. Kennedy to press Secretary of State Dean Rusk to proceed with the dismissal of Otto F. Otepka as the State Department's top Security Evaluator, a former Ambassador associated with CIA Director Richard Helms informed this newspaper on April 11.

Mr. Bancroft played a role because of his liaison and co-

ordinating work involving the use of the organization and facilities of *The New York Times* on behalf of the CIA and the "New Team."

Other persons who had a role included William H. Brubeck who had been the recipient of the 1960 "leak" of Top Secret Information from the State Department to the campaign headquarters of John Kennedy which contributed significantly to Mr. Kennedy's narrow victory at the election polls. After Mr. Kennedy's victory, Mr. Brubeck received complete information about Mr. Otepka's role in tracing this "leak", the former Ambassador revealed.

Other members of the "New Team" were McGeorge Bundy and his brother William Bundy, who had moved from the Central Intelligence Agency to become the Assistant Secretary of State for East Asian and Pacific Affairs, including Vietnam.

"THE NEW TEAM"

The "New Team" at the Central Intelligence Agency was being planned by Attorney General Robert Kennedy even before the Bay of Pigs "fiasco" in 1961. In fact, the former Ambassador said, the Attorney General had a special group of his own "monitoring" the Bay of Pigs operation to determine which persons, not yet projected for the "New Team", would "pass the test".

Although the "Bay of Pigs" was a national disaster, the source said, Robert Kennedy exploited it within the Government to accelerate building the "New Team."

NEW TEAM GOALS

The "New Team" goals were set by the "personality" of Robert Kennedy and the "philosophy" of President John Kennedy and Secretary of Defense Robert McNamara, the source revealed. The main exponent of this "philosophy" was Major General Maxwell Taylor, assisted by McGeorge Bundy and Walt Whitman Rostow, the former Ambassador said.

The mission of the "New Team" was to contest the Soviet penetration of the "Third World," the so-called nonaligned countries through "paramilitary, parapolitical and paradiplomatic" means. To do this, the "New Team" was to be a "paragovernment", performing for the United States "the same kind of functions" which the Central Committee of the Communist Party of the Soviet Union performed for the Soviet Union, the former Ambassador revealed.

This required the "New Team" to penetrate every department and agency of the Executive Branch dealing with foreign policy by inserting "trusted members" of the "New Team" into key positions. Among these were the Offices of Security of the State Department, the military services departments, the United States Information Agency and the Agency for International Development, the source added.

"NEW TEAM" MEMBERS

Besides Robert Kennedy and Maxwell Taylor, other members of the "New Team" were General Marshall S. Carter, who replaced General Charles B. Cabell as Deputy Director of the CIA. Very early "recruits" to the "New Team" were Richard Helms, today the Director of the CIA, and Cartha "Deke" DeLoach, the second man in charge of the Federal Bureau of Investigation. Together with Robert McNamara and Dean Rusk, the "New Team" acting under the control of Robert Kennedy began the "infiltration" of the State Department and the Defense Departments with Central Intelligence Agency personnel. "Counterinsurgency" projects sprung up in every agency dealing with foreign affairs.

OUTSIDE "INSIDERS"

Besides key persons officially already in the Government, the "New Team" selected persons in leading banks, law firms and foundations for the penetration of the "New Team" apparatus of the United States,

the former Ambassador revealed. Because of the paramount role of *The New York Times* in American life and because of the "black" assignments which it might be asked to perform for the CIA, great care was taken to select a person who had full access to every office in *The New York Times* and yet could conceal his own operations. This was especially important because "gray" operations, involving special background briefings for such top *New York Times* representatives as James Reston and Tom Wicker were already going on, and top *New York Times* reporters were in an especially good position to "uncover" the "black" operations.

BANCROFT'S PAST

Harding Bancroft had been originally introduced into the State Department by Alger Hiss, and, after Mr. Hiss became the head of the Carnegie Endowment for International Peace, Mr. Bancroft served under Dean Rusk as a member of the Department's Office of Special Political Affairs, renamed the Office of United Nations Affairs. Subsequently, he took the post of General Counsel to the International Labor Organization in Geneva and then went to *The New York Times*, eventually to be named Executive Vice President.

During the Eisenhower administration, Harding Bancroft worked closely with Dean Rusk, President of the Rockefeller Foundation, maintaining close liaison with John Foster Dulles and with Allen Dulles, the Director of the Central Intelligence Agency.

BANCROFT'S COVER

Because Mr. Bancroft's liaison role at *The New York Times* required meeting with top CIA and State Department officials, especially on matters of "Personnel", it was decided to provide him with "cover" by designating him a "member" of the newly created State Department Advisory Committee on International Organization Affairs, whose task was to recommend the "best qualified Americans" for those international organization positions in which they could make important contributions.

Although the Advisory Committee eventually prepared a "Report", which was itself controversial in its original draft form, the basic role of the Committee was to provide a "cover" for the "New Team," the source revealed.

"ROADBLOCK" OTEPKA

One of the major "roadblocks" to the "infiltration" of the State Department by the Central Intelligence Agency New Team was Otto F. Otepka, its top Security Evaluator. Mr. Otepka had already "annoyed" the Central Intelligence Agency by his "uncovering" the activities of the Central Intelligence Agency in using "double agents" in the Warsaw "sex and spy" scandals. Subsequently, Mr. Otepka "annoyed" Robert Kennedy and Dean Rusk by insisting, in December 1960, that Walt Whitman Rostow would need a "full field FBI investigation" before he could be "cleared" for employment in the State Department. Mr. Rostow had just completed in December a "secret" mission in Moscow for President-elect John Kennedy. The mission was "cleared" by CIA Director Allen Dulles. Previously, Mr. Rostow had established the CIA channels at the Massachusetts Institute of Technology, in Cambridge, Massachusetts. Harvard University professors maintained their own CIA "black" ties with Washington through the Institute, the former Ambassador asserted.

[From the Government Employees Exchange, Apr. 16, 1969]

AID MANIPULATED JOB RECORDS AND RATINGS

Following the revelations in this newspaper on February 21, 1968 about the "Antwerp sex and kickback scandal" and the manipulation of job records and ratings of the International Development, this newspaper

received documentary evidence on April 11 of this year that three senior A.I.D. officials have since then been engaged in selectively manipulating the personnel records of foreign service employees of that Agency. The records involved affect the promotion and "selection out" of foreign service personnel.

As readers will recall, the revelations about the "Antwerp sex and kickback scandal" were widely publicized a year ago by Senators and by Congressman. According to the accounts, a top A.I.D. official, having a "sexual affair" with a "seductive secretary" of the Belgian firm of J & M Andriacenssens, allowed the foreign company to overcharge the U.S. government by more than \$250,000 for repairs on excess property.

Subsequently, this top official and a top A.I.D. inspector became involved in "rivalry for the sexual lures of the secretary", the press reported. Trips were taken by the young lady, with other beauties, and the A.I.D. staff to Rome, Paris, Nice, where the "sweet life" of France and Italy was fully enjoyed. The case, uncovered in the end by Congressional staff investigators, finally involved the Belgian police and prosecutor's office.

The five A.I.D. officials who resigned because of the embarrassment of the scandal included Herbert J. Waters, who prior to his employment at A.I.D. had served as the Senatorial election campaign manager in 1954 and 1960 of Hubert H. Humphrey. Others who resigned included Paul H. Scordas, a career Army Colonel hired after retirement as a Foreign Service Reserve Officer, Class 2; and Jack K. Wall, who was the Director of the Excess Property program for A.I.D. in Europe. Mr. Wall was indicted on December 9, 1968 and is awaiting trial.

The three A.I.D. officers now revealed by documentary evidence as having carried out a selective alteration of the restricted files and folders of foreign service personnel are H. Rex Lee, formerly the Governor of American Samoa and currently a Commissioner of the Federal Communications Commission, who was the Assistant Administrator for Administration of A.I.D. during the "Antwerp sex and kickback scandal"; Edward F. Tennant, currently the Acting Assistant Administrator for Administration and Governor Lee's successor at A.I.D.; and Joseph S. Toner, who was the Director of Personnel Administration for A.I.D. when the "Antwerp sex and kickback scandal" developed. Mr. Toner is still in the same job.

According to information received by this newspaper, one of the persons rated by Paul Scordas wrote to Governor Lee personally complaining about the rating he had received. The complaining employee, James A. Gibson, was on very good personal terms with persons associated with supporters of Hubert H. Humphrey, especially Herbert J. Waters, this newspaper was informed.

At the end of this article there is published the complete text of a memorandum, dated November 12, 1968, from Mr. Toner to Mr. Tennant concerning the disposition of the Performance Evaluation Report and the Development Appraisal Report written by Paul Scordas on James Gibson. Information available to this newspaper indicates that no other employee rated by Paul Scordas had his reports reviewed by Governor Lee.

In his memorandum of November 12 to Mr. Tennant, Mr. Toner refers to a letter of October 12, 1968 written by Governor Lee. Readers of *The Exchange* will be interested to note that the Congressional Record reveals that fully one month earlier, on September 13, Governor Lee had already been confirmed by the Senate for his new post as a Commissioner of the Federal Communications Commission. Governor Lee took the oath of his new office on October 24, 1968.

In addition to receiving documentary evidence of selective treatment given to certain persons with poor connections, this newspaper was further informed that James

Loss of Subsidies From CIA Changes Life Mode for Many

By Bernard D. Nossiter
 Washington Post Staff Writer

The World Confederation of Organizations of the Teaching Profession, which once got \$500,000 yearly from a CIA-supported foundation, no longer holds its annual meetings in expensive Hilton hotels abroad. Last year, the educators, gathered in the more Spartan and efficient quarters of a teachers' training college in Dublin.

The American Friends of the Middle East has also felt the loss of indirect CIA gifts. The organization has moved from a plush brick building on New Hampshire ave. to a shabbier structure next door, at one-third the rent.

But these belt-tightening moves are nothing alongside the experience of the American Newspaper Guild. All of the overseas activities of the journalists' union were financed by CIA foundations and all have now come to an end.

The three are among several dozen private groups whose ventures overseas were sustained in part or in whole by foundations that drew on cloak and dagger money. Like many of their peers, officials of the three groups say they had no notion of where their patrons got their dollars (Charles Perlik, secretary-treasurer of the Newspaper Guild says, "When you're handed money on a platter, it's very tough to say, 'where are you getting this?'") until the public exposure in the winter of 1967.

Agree on One Point

All three then broke their connection with the suspect foundations and all have tried to keep their programs going with fresh public and private support.

They have had widely dissimilar success. But they agree on one point. Their beneficiaries in the developing world barely raised an eyebrow over the disclosures. Raymond J. Smyke, the teaching confederation's Africa chief, observed that most third world leaders simply assume that any "private" American organization working abroad is tied to the Government, one way or another.

Smyke's group, the WCOTP, is a global body claiming to represent 5 million teachers. The National member; the American Federation of Teachers is not. Some five-sixths of



CHARLES A. PERLIK JR.
 ... calls cut "tragic"

WCOTP's yearly budget of \$600,000 was underwritten by a CIA conduit so its loss should have produced a genuine crisis.

In fact, according to Smyke, WCOTP has trimmed away "a lot of fat," has discovered fresh resources among its foreign affiliates and actually increased its on the job training of teachers in poor countries.

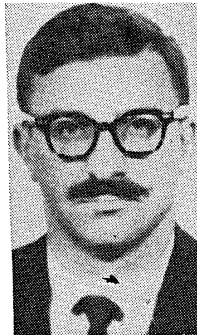
Not Without Blessings

"I've got a hole in my sweater and we are drinking domestic sherry," says Smyke wryly. But he suggests that the loss of CIA money has not been without its blessings, a conclusion that some of the more sophisticated critics of bilateral foreign aid have reached in other areas.

WCOTP has quadrupled its members' dues and they will double again by 1971. It has cut its Washington staff from 30 to 20, closed five of its 11 overseas offices, holds fewer regional meetings and no longer pays delegates' traveling expenses to the annual meeting. Its house organ now appears six instead of 12 times yearly. Washington no longer pays to translate it into 16 languages but 14 foreign affiliates are performing this chore on their own.

More Controversial

Even the most hard-pressed foreign members are now making a contribution that the CIA money had spared them. The Egyptians will bring 600 towels and bars of soap to this year's meeting at Abidjan, an amenity often lacking in inexpensive hotels in France as well as the Ivory Coast; the Kenya teachers union will contribute 600 pounds of choice tea.



RAYMOND J. SMYKE
 ... finds blessings

The American Friends of the Middle East is a more controversial organization. Supporters see it as devoted to improving Arab-American relations, largely by aiding Arab students and scholars. Opponents regard it as an anti-Israel propaganda front, inspired by oil companies with Arab holdings.

Orin D. Parker, AFME's executive vice president, is reluctant to disclose how much money the organization got from foundations linked to the CIA or reveal how much it now gets from oil companies.

But he does say, "We are operating on a lower budget since our trial by newspaper," a reference to his conviction that the press smeared AFME by its broad disclosures.

Two years ago, AFME reported receiving \$1,023,000 and spending all but \$1000 of this. In the year that ended on Sept. 30, AFME income dropped 40 per cent to \$616,000 and it spent only \$339,000. This would indicate that the seven foundations with which AFME no longer does business were putting about \$400,000 yearly into its coffers.

Because of the troubled relations with the Arab world since the June War of 1967, AFME now places in its reserves a large sum each year.

Apart from moving to less elegant quarters, AFME has made some other economies. It no longer sponsors exhibits of Arab art; it is closing its film library; it has ended its program of scholarships for Palestinian refugees at Middle East colleges; the Washington staff has been reduced from 29 to 16 and the monthly magazine now appears six times a year.

Abroad, the leftist regime in Syria publicly ordered AFME to close its Damascus office but privately still consults the organization. The Iraqi office has also been closed at the government's request, but that followed the June War rather than the CIA exposure.

Reluctant to Help

The organization still carries on some of its major activities. It helps screen and counsel many of the estimated 8000 Arab students attending American schools, it shares with the National Endowment for the Arts a program of grants for Arab officials and scholars at Amer-

ican universities, although the number aided has been cut in half.

Parker hopes to get money from an untainted foundation and has talked with AID and State Department officials about Government support. So far, Government agencies that operate in public have been reluctant to help lest pro-Israel Congressmen complain.

For the Newspaper Guild, the CIA revelations were a disaster. It has shut down its offices in Rio and Panama and its support of Latin American newspaper unions has now ceased. The Guild remains a member of the International Federation of Journalists in Brussels, but it no longer pays the salary of a staff member there. At its peak, the Guild was spending \$300,000 yearly overseas, all from foundations tied to the CIA.

Secretary-Treasurer Perlik says "it is tragic that we were unable to continue. We had found a way to communicate (with foreign journalists' unions) that didn't compromise a straight trade union line, even though it was Government money."

From Open Sources

The Guild convention of 1967 authorized the union's leaders to carry on the overseas activities with funds from open Government sources. Guild leaders dickered with the Agency for International Development and the negotiations seemed to be promising.

But they were abruptly and mysteriously cut off. Guild officials suspect that this was done at the behest of George Meany, AFL-CIO president, who insists that all Government money for unions operating abroad be channeled through the three Federation instruments he and his foreign affairs entourage have designed.

Heeding Complaints

Though associates say Sen. Stennis runs the committee with a more authoritarian hand than former Chairman Richard Russell of Georgia, Mr. Stennis has heeded complaints of New Hampshire's Sen. Thomas McIntyre and other younger members that their elders always monopolized the decision-making. Mr. Stennis has created more subcommittees to examine specific problems; Sen. McIntyre, for example, now heads a study panel on research and development.

But for all his internal reforms and tough talk about economy and eventual troop cutbacks, Chairman Stennis retains the fondness for a powerful U.S. military establishment that's under increasing attack in the Senate.

"Certainly it would be a great mistake to dismantle a great part of our military machine," he says. "I want us to keep good bone and muscle in our military defense—it is a source of stability in the world. If our fleet weren't over in the Mediterranean now, the

Mideast situation would be much more acute than it is."

Just how the Armed Services Committee will balance its desire for strong defense against outside demands to free funds for civilian needs won't be known until late May or June, when it completes work on the Pentagon's \$23.9 billion request for hardware procurement authorization. At that point, the full Senate will sit as a sort of board of review on Mr. Stennis' work—a potential moment of trial for any committee chairman, who risks seeing his bill heavily amended.

In 1966, the House and Senate Armed Services Committees voted extra funds for developing both the ABM and the advanced bomber, though Defense Secretary Robert McNamara was resisting both projects. The full Congressional membership, showing little interest, ratified the committees' decisions. Now the tables are turned, with Defense Secretary Melvin Laird urgently seeking both weapons systems at a time when the Mansfields, Kennedys, Coopers, Proxmires, and McGovern are vowing to take their board of review duties more seriously.

Even the firmest Pentagon supporters concede this new interest by nonmembers of Armed Services is a healthy thing. "The military had in many cases been going hog-wild," acknowledges an Armed Services Committee advocate of the ABM.

An even more detached view comes from Sen. Norris Cotton of New Hampshire, a conservative Republican who isn't on the Armed Services Committee. "I think it will be a sad day when civilian members of Congress who don't have professional military experience are muzzled," he says. But while he thinks the anti-ABM forces are bringing valuable "dissension and independent thought" to the defense budget debate, "they are carrying it so far that they may be seriously hampering our defense."

Sen. Cotton says his mail is running about 95% against the ABM, but he still favors a trial deployment, at least at one site.

firmly lodged within the 18 member group, self, discomfiting the new chairman still more. The committee's most conspicuous ABM dissenter is Stuart Symington, the Missouri Democrat who worries about the war and the arms race without taking an extreme anti-Pentagon position. Another committee defector on the ABM is Democratic Sen. Daniel Inouye, the Hawaiian World War II hero, who urges immediate arms-limitation talks with the Russians. And since last year's ABM fight the committee has been joined by a brace of Republicans—Edward Brooke of Massachusetts and Richard Schweiker of Pennsylvania—who are resisting Mr. Nixon's Safeguard.

The depth of the revolt is perhaps best gauged by the attitude of Democratic Sen. Howard Cannon of Nevada, a reserve major general in the Air Force. Sen. Cannon supported the old Sentinel plan for ABM defense of the cities, but he says he's "on the fence" regarding the new Safeguard defense for Minuteman missile silos. "I can't quite reconcile myself to protecting holes in the ground rather than protecting people," he says. "I'm not sure but what I might take the position to hold up on any decision to deploy at this time."

A Minority Report

But at this point the committee's ABM foes believe they have only enough clout to write a minority report when the defense procurement bill is sent to the Senate floor. (That in itself is a rare event for this formerly monolithic panel.) All signs still indicate that the ABM commands a committee majority.

Early this session Arizona's Barry Goldwater was expressing reservations about the old Sentinel version, but he quickly endorsed Mr. Nixon's Safeguard plan. And sensing the symbolism of the ABM fight, Sen. Goldwater has jumped zestfully into the general debate on the role of the military in American life. "I want to point out that a very strong case can be made for the need for a more powerful military industrial complex than we have had during the past eight years," he declared in a recent Senate speech.

Peter Dominick of Colorado, another GOP committee member, is foursquare for the ABM. Though he suspects that "the public is sick and tired of the cold war" and its military cost burdens, he reflects the traditional Armed Services Committee view that U.S. defenses should be geared to Soviet capability for attack and not to guesses about Soviet intentions.

When Chairman Stennis brings his hardware procurement bill to the Senate floor, there will, of course, be efforts to delete the ABM item. Both sides at this point claim they have enough votes in the full Senate to win, but nobody sounds very sure because the test is several weeks away. And because of the fractionated way Congress handles spending bills, the ABM vote on Mr. Stennis' procurement measure may not be decisive.

Step Process

The bill would authorize the Pentagon to buy among other kinds of hardware, \$761 million worth of missiles, radar and other ABM equipment. A similar measure is being prepared by the Armed Services Committee of the House, where the anti-Pentagon revolt is not as strong as in the Senate. Should Sen. Stennis' pro-ABM forces win the authorization, the House and Senate still must actually appropriate funds for Safeguard for the coming year.

The \$75.3 billion defense appropriations bill, which the money for work on the Safeguard program, is to be handled in the Senate by Sen. J. Bennett Johnston. This year he became chairman of the 15-member Appropriations Committee, and he is chairman of the 15-member subcommittee that handles defense money.

Sen. Russell is a cold-war hard-liner whose fear is "unilateral disarmament." And he is a strong ABM supporter, assuring that his Appropriations Committee will give friendly support to the Safeguard money request. However, this bill—now months away from passage—must also run a gauntlet of Senate floor amendments. There's another variable, too: The 71-year-old Sen. Russell has a lung tumor requiring cobalt treatments. Currently he's looking fit and attending to duty, but if health forces him to retire, the Appropriations Committee chairmanship would go to Sen. Allen Ellender. The Louisiana Democrat has a quite different world view: He favors more accommodation with the Soviet Union, dismantling of the North Atlantic Treaty Organization and postponement of the ABM. "It is unrealistic," he says, "for us to advocate peace and at the same time prepare for war."

Stennis on the Spot Armed Services Chief In Senate Feels Heat On Pentagon Spending

ABM Fight Is Part of Broad Challenge of the Pentagon Taking Shape in Congress

Battling Against Deep Cuts

By ARLEN J. LARGE
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON—There on the Senate floor sits the big fat defense procurement bill, loaded with ABMs and fancy strategic bombers. But few Senators show up, nobody complains and the bill is passed without even a roll-call vote. Democratic Leader Mike Mansfield praises the Senate for its "swift and orderly action." The year is 1966.

How different the scene in 1968—just two years later. Debate on defense procurement consumes three angry days. Several amendments to cut the bill fail by close votes, and a 3% whack carries overwhelmingly, 45 to 13. The vote on final passage is 54 to 3. Among the dissenters: Mike Mansfield, protesting the bill's "wasted billions."

Now in 1969 the fight over a once-routine authorization for military hardware promises to be titanic, one of the battles of the century. Though the annual defense procurement bill is weeks away from reaching the Senate floor, the preliminary arguments make headlines every day. The big symbol in the fight is President Nixon's plan to deploy the Safeguard antiballistic missile, but the ABM controversy has broadened into an assault on Pentagon spending generally.



Sen. John Stennis

"Unquestionably the major reason is the sentiment about the Vietnam war," says Sen. John Stennis of Mississippi. He saw the military drop from popular favor after World War II and the Korean war. "Now it's the same thing," he says. "The shooting part of the war is not over, but the sour part has already set in."

As the new chairman of the Senate Armed Services Committee, Mr. Stennis must try to reckon accurately the strength of the anti-Pentagon gales blowing on Capitol Hill. His 21 years of Senate service and the seniority system have carried him to the prestigious chairmanship at a time when its old autonomy in military matters is crumbling. More than ever before, other Senators are ready to second-guess the chairman's decisions. "When the Pentagon is wrong, Congress must have the courage to stand up and say no," asserts young Sen. Joseph Tydings of Maryland, who never paid much heed to military matters until now.

The courtly, 67-year-old former judge represents the interloping, but he's bending with it, too. Thus, the Armed Services Committee is looking extra-hard for ways to prove to skeptical Senators that it can get tough with the generals. The committee probably will recommend approval of both the Safeguard ABM and the Advanced Manned Strategic Bomber sought by the Nixon Administration, but it's hunting for some showy economy scalps to take from the defense budget.

"No Assumption of Need"

One candidate for committee chopping is the Air Force's Airborne Warning and Control System, known as AWACS in the Pentagon's acronymic jargon. As planned for the 1970s, AWACS would consist of radars and electronic black boxes crammed into big jets to coordinate defense against incoming bombers. Several key committee members, however, are skeptical about the Russian bomber threat.

Behind the unmarked door of his hideaway office in the Capitol, Sen. Stennis is the picture of no-nonsense dignity, booming out economy maxims in a deep, authority-laden voice: "Military expenditures should be closely scrutinized. They have to stand and justify themselves. I've told the Defense Department the burden of proof is on them. There's no assumption of need."

Mr. Stennis proudly recounts how he has directed his preparedness subcommittee, for years a source of tub-thumping for bigger Pentagon budgets, to keep closer check on the performance of defense contractors. He has borrowed two gumshoes from the General Accounting Office to make spot-checks on what happens to costs after the Pentagon makes a contract for hardware. "I'm highly pleased with the headway these men have made," says Mr. Stennis.

When the manpower demands of the Vietnam war ease, Sen. Stennis thinks he sees a way to compensate for the rising cost of weapons. "Do as much with less men," he says, noting that the cost of feeding, clothing and paying the troops is a big part of the Pentagon budget. "I just don't see why we have to maintain so many active units—for example in the Air Force," he says, arguing that the National Guard is cheaper.